1906-7
L. Finance

GENERAL AND REVENUE SECRETARIAT.

2.24
E

Serial Nos. 1

Part B. for November 190

~~SUBJECT.~~

Defining the responsibility of the Div officers in the matter of Treasury admin

stration

To the Rev Cons- Comp^r + D_o of Dirs 3228-37d

Transfer the work connected with the D

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General and Revenue Secretariat.

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Serial No.

To the Comptroller.

A Committee (consisting of the late Dewan as President, and the late Councillors, Mr.Machonochie and the late Revenue Commissioner as Members) was held at Mysore in October 1905 to submit proposals for enlarging the powers of certain Heads of Departments. I append a copy of the Proceedings of that Committee, as also of the Revenue Board Report (3 Vo. referred to in the margin of the same.

o be kindly returned.

It will be seen from the said Proceedings that the Committee recommended (among other things) that the responsibility for Treasury administration, which at present rests with the Comptroller, should be transferred to the Revenue Commissioner in accordance with the policy obtaining in British India.

This recommendation was accepted by Government. Vide para 14 (b) of the late Dewan's letter No.1432 dated 13th February 1906. And it is now necessary to give effect to it in connection with the question of the assigning of enhanced powers and duties to the Revenue Commissioner.

Will you kindly let me have, for the information of Government, your opinion as to the lines on which the order on the subject should be drawn up?

Mcandrewellan

29th August 1906. Secretary to Government.

45. 27-9-06

I do not know if it is correct to say that the responsibility for the Treasury administration rests at present with the Comptroller. It has virtually remained in

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hands of the Deputy Commissioners, than on the appointment of a Revenue Commissioner in 1902 his control over the Treasuries was not recognised. The situa was not quite correctly described in ch VIII of Part I of Mr D. M. Narasinga Rou Report on the British Indian Boards of Re -enue with special reference to Mysore. Occasional Treasury inspections enjoined the Comptroller do not mean the transf of the work of administration to him By such inspections the Comptroller en tried to partly help the Deputy Com- -missioners in regard to their work of a -ministration. The principle underlyi art 301 and note 2 under art 1003 of C Civil Account Code has always been rec -nized here. As however there appears be a misconception on the subject, the responsibility of the Revenue Commissione and the Divisional authorities for good Tre administration may now be definite laid down.

The decision arrived at by th Committee in regard to subject (2) re the Revenue Commissioner being required to forward the reports of inspection of the

district treasuries to the Comptroller for information and bringing any important matters to the notice of Govt. may also be given effect to.

With regard to subject (3) there appears to be no necessity for forwarding the inspection reports of the sub-treasuries to the Comptroller either direct or through the Revenue Commissioner. At present these are being sent to the Comptroller, and it is more that 75 per cent of these reports the Deputy Commissioners take no action on the defects and irregularities pointed out by the inspecting officers until and unless this office takes the initiative. The issue of instructions from this office merely duplicates work and is altogether unnecessary. Besides, it considerably weakens the responsibilities of the district authorities and renders them inert as it makes them look to this office for pointing out the irregularities which they could and should rectify on the spot. Further the matters dealt with in these reports are not such as to require any action on the part of the Account office. A Taluk Manual has been compiled and the Inspecting officers

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have much to see that the rules contain
in it are duly observed. The present pra
of forwarding these reports to this offi
may therefore be discontinued.

With reference to subject (4) re
embezzlements by a Revenue and Treas
officer, the provisions contained in
art. 20 of the Civil Account Code are of
general applicability and it is a questi
for consideration whether specific rules
the purpose are necessary.

It should be made clear th
the Annual Report referred to in subje
(5) relates to the administration of Treas
proper, as under art. 1003 of the Civil Ac
-count Code the Comptroller is also requ
to submit to Government annually a
short history of the working of each Tr
-sury in connection with the Account
-fice. This latter is purely with referen
to the audit work.

In regard to the inspection of
district Treasuries the standing orders on th
subject are that each Treasury should be
inspected either by the Comptroller or his assi
-stants once every two years. Govt order 4

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...rasp vii para 104 of his report on finance hitherto observed clearly departs from the accepted principles of Treasury Administration in British India and is not contemplated in the Civil Account Code.

The lines on which the orders should be drawn up ~~are~~ may be the following:

(1) Hitherto the responsibility of Revenue officers in the matter of Treasury administration has not been clearly ~~stated~~ defined, and in 1902 when the appointment of the Revenue Commissioner was sanctioned the control of the treasuries was not formally vested in him.

(2) The responsibility for administration of treasuries has virtually rested on Deputy Commissioners, but at the same time the Comptroller has been required in Govt order No. ~~Fl. 1946-52~~ 8567-55-11 December Fin. 1906 & 2 ~~Sept~~ R.D. 215-92 to inspect the treasuries either himself through his assistants, and this has somewhat divided the responsibility for the work of administration. This is not a desirable arrangement, and nothing should be done which would in any way weaken the existing responsibility of the Revenue

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(3) It is accordingly decided that system in force in British India should enforced in its entirety. The system in in British India is described in the fo extracts from Government of Ind in from the Civil Account Code.

Quote here in the following as

Note 1 to art. 341 C. A. Co

art. 341. C. A. C. V

arts. 300, 301 and 302 C. A. C. V

the extracts under para 104 of Chap. VII of Mr. Narasimha Rao's report.)

(4) All com

with the necessity for treasury inspe , the Account officer required to be m - the Local Government under Bude Indian Rules should be made m lyers to the Revenue Commissione

(5) The Revenue Commissione owers in regard to Treasury manag ment should also be as follows

(Here should follow the decision of the Committee under the several heads with such modi - fication as may be made in reference to this note.)

General and Revenue Secretariat.

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(6) The Review of working of Treas prepared in the Account Office under a 1003 of the Civil Account Code should ni be submitted to the Revenue Commiss who would take the necessary action a and would incorporate it in his fer Report to Government on the admin -istration of Treasuries.

Comptroller's Office
7th September 1906

Comptroller.

10.9.06

Asst Secy H

Please put up a draft, for the Govt on the above lines.

The refers should not be sent to Offic returned with you.

10.9.06

Draft submd. No mention is made. the draft about Subject no 4 as ar C&C is a general provision for all ca of defalcations & the Comptr Conside ~~that~~ Special rules for the Revenue & Treasury Depts & the unnecessary

#11

Are there any rules or orders regarding the Comptroller to personally inspect treasuries, & see that they are working properly, & the accounts are posted up to date, eh? Is it not part of his duties to do. Were not previous Comptrollers doing so? Quote any if Regulations in the affirmative —

Which there are orders requiring the Comptroller to inspect the treasuries either personally or thro his assistants. Please put up the orders: ends 8/8/06

The standing orders on the subject put up — ends 8/8/06

Vide Unlisted file

G.O: 8547-55 dt. 11-12-1892 N.
Para 1. N. 1329 dt 23-11-03. R
Compl. No. 3626 dt 23-12-03.
G.O: [illegible] 2188 dt 15-2-04.
Civ. P.R: Article 8-11 Code.

G.R.S. 12]

General and Revenue Secretariat.

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Subs to Servan.

If approved, ... y
placed before Council. 13-9-06

The Govr directs that this may be ... 14.9.06

Circulate. 14.9.06

The Draft may be approved

Govt

Govt approved by Executive Council on

Subs to Govt after circulation

2420
11/10/06

General and Revenue Secretariat.

Gen Fin File No. 134 of 1906

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To the Revenue Commissioner
" Comptroller
" Dy Comrs of Districts
No: H 3228-37 Dt 3.11.06
Transfers the work Connected with ~~the~~ Treasury administration to the Rev: Commissioner in accordance with the policy obtaining in British India.

GENERAL AND REVENUE SECRETARIAT.

Council matter.

Subject.

Responsibility of Revenue officers in the matter of Treasur
iministration.

Circulated to Councillors.

By Order,

Secretary.

ptember.....*1906*.

ıda Row, Esq,. B.A. Seen by the Councillor

Councillor.

K.P. Puttanna Chetty, Esq,. Draft may be approved

Second Councillor.

Submitted to His Highne

The Secretary's note of the 29th Augu

(Vide office note) 1906, explains the case. The responsibility of Revenue Officers in the matter of Treasury administration has not till now been clearly defined. At present the responsibility is vested partly in the Deputy Commissioners and partly in the Comptroller. This administrative defect is proposed to be remedied by transferring the work connected with Treasury administration to the Revenue Commissioner, in accordance with the policy obtaining in British India. This question has already been fully discussed by the Committee appointed in October 1905 for submitting proposals for enhancing the powers of certain heads of Departments. The appended draft order which definitely lays down the duties and responsibilities of the various officers in this respect has been drawn up on lines indicated by the Comptroller, and may be approved.

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Draft order in re responsibilty of Revenu Officers in the matter of Treasury admini tration.

Order.

Fl 3228-37
Gen Fin File 134-06-1
d 3rd Nov 1906

The responsibility of Revenue Officers in the matter of Treasury administration has not hitherto been clearly defined and on the appointment of the Revenue Commissioner in 1902, the control of the Treasuries was not formally vested in him.

~~2. The responsibility for the administration of Treasuries~~ Such responsibility has virtually been vested in the Deputy Commissioners of districts, but at the same time the Comptroller has been required by G.O.No. 8547-55- RF2/3-92 ~~Fl 1744-52/G.F.16~~ dated the ~~14th August 1903~~ 4th Dec. 1892, to inspect the Treasuries either himself or through his assistants, and this has somewhat divided the responsibility for the work of administration. This is not a desirable arrangement, as it tends to detract from the exclusive responsibility of the Revenue authorities for Treasury management.

2. Government are pleased to direct that the system in force in British India be hereafter enforced in its entirety. That system is described in the following extracts from the Government of India orders ~~or~~ and ~~from~~ the Civil Account Code :--

Note 1 under art.341, Civil Account Code.

" The Government of India have ruled that the responsibility for the proper management and working of the

District Treasuries rests entirely wit the local Revenue Officers acting unde the orders of the Local Government, an that no portion of this responsibility should be imposed on the Accountant General. It has also been ruled that, a regards inspection of treasuries, no change should be made which would tend to relieve Commissioners and District Officers of their responsibility for" management and inspection.

Art.341, Civil Account Code.

"The Accountant General may, with the approval of the Local Government, either personally or by his deputy, mak a general inspection of particular treasuries, or may with the like approval, should circumstances make it desirable, depute a qualified officer of his establishment to examine and report on special matters requiring local and detailed investigation, either singly or in subordination to an officer of the local Administration. In case special inspection of several treasuries appears desirable, the Accountant General should report the fact, with his reasons, to the Comptroller General, as soon as he resolves to apply for the permission of the Local Government."

Art.300, Civil Account Code.

"The treasury is in general charge of the District Officer (Collector) who

may entrust the immediate executive charge to a "Treasury Officer" subordinate to him, but he cannot divest himself of administrative charge. The treasury is divided into two departments,- that of accounts under the charge of an accountant, and that of the cash, stamps and opium (if any) under charge of the treasurer."

Art.301, Civil Account Code.

"The Accountant General directs his communications regarding treasury work either to the District Officer or the Treasury Officer. The Government has repeatedly ruled that the appointment of a subordinate to the immediate charge of a treasury in no way relieves a District Officer from responsibility. This responsibility extends not only to the security of the cash balance with the stamps and opium, and the immediate detection of any irregular practice on the part of the subordinates, but also to the correctness of the returns and the punctuality of their submission, and to the implicit obedience of the Treasury Officer to the instructions issued from the Account Office."

Art.302, Civil Account Code.

"District Officers should remember that, when an irregularity of any kind is brought to their notice by the Accountant General, nothing but a

report on their own knowledge, after personal investigation, can be considered satisfactory. It is not enough for them to pass on the explanation of a subordinate; reports prepared in this manner have more than once, by lulling suspicion, led to greater irregularity afterwards."

Government of India Order.

" The duty of an Accountant General is to keep the accounts of a Province. He receives the materials from all the treasuries in the province, often many in number, and always distant from each other and from ~~its~~ his head quarters. He is not an executive officer; and his duties at his own head-quarters require his constant and unremitting attention."

" By means of the returns which he is continually receiving from each Treasury, an Accountant General can exercise, and ought to exercise, a very close and constant supervision over the transactions of each treasury in his jurisdiction."

" An Accountant General cannot be spared from his head-quarters to travel over the province inspecting treasuries without certain and serious detriment to his own proper and immediate duties. The advantages to be expected from such

inspections by an Accountant General are not to be compared to the disadvantages likely to result from the interruption of his own duties at headquarters."

" On the other hand, the executive staff of the general administration includes provision for the careful supervision of every branch of the Administration. In the Bengal Presidency, and in Burmah, the Commissioners of Divisions, in Madras, the Collectors, and in Bombay the Collectors and Revenue Commissioners are, or ought to be, well qualified by previous training and acquaintance with the duties of every branch of a Collector's office, to ascertain that the duties of every branch are being properly performed."

3. In accordance with the system obtaining in British India, the Revenue Commissioner should, as the Chief Controlling Revenue authority, be given the control over the Treasuries, and Government are accordingly pleased to direct that the administration of Treasuries ~~be entrusted to them~~ devolve on him.

4. The biennial inspections of District Treasuries by the Comptroller required by G.O.No. ~~Fl.1744-52/G.F.15~~ 8547-55-RF 23-92 dated ~~21st August 1903~~ 11th Dec. 1892 will be discontinued. Art.341, C.A.C. provides for

by Account Officers, and all communica tions in connexion with the necessity for such inspections required to be made to the Local Government under th article should be made to the Revenue Commissioner

5. The Revenue Commissioner should forward the reports of inspection of District Treasuries to the Comptroller for information and bring any important matters to the notice o Government. The inspection reports of the Taluk Treasuries will be dispos of by the Revenue Commissioner, ~~and~~ the present practice of sending them to the Comptroller ~~will~~ be discontinu

6. The Revenue Commissioner should submit to Government an annual report on the working of the Provinci Treasuries. This report will deal wit the administration of the treasuries during the year. The review of the working of Treasuries prepared by the Comptroller under Art.1003, Civil Account Code, which is intended to ~~brin~~ end all of the working of ~~the~~ treasuries only ~~as~~ far as ~~that of the~~ Accounts ~~is~~ are concerned, should in future be submitted to the Revenue Commissioner, who ~~shoul~~ will take the necessary action on it and i corporate it in his general report to Government.

No. 3228-37—G. F. 134-06-1, DATED BANGALORE, 3RD NOVEMBER 1906.

ORDER.—The responsibility of Revenue officers in the matter of Treasury administration has not hitherto been clearly defined; such responsibility has virtually been vested in the Deputy Commissioners of Districts, but at the same time the Comptroller has been required by Government Order No. 8547-55—R. F. 213-92, dated the 11th December 1892, to inspect the Treasuries either himself or through his Assistants, and this has somewhat divided the responsibility for the work of administration. This is not a desirable arrangement, as it tends to detract from the exclusive responsibility of the Revenue authorities for Treasury management.

2. Government are pleased to direct that the system in force in British India be hereafter enforced in its entirety. That system is described in the following extracts from the Government of India orders and the Civil Account Code:—

Note 1 under Article 341, Civil Account Code.—

"The Government of India have ruled that the responsibility for the proper management and working of the District Treasuries rests entirely with the local Revenue officers acting under the orders of the local Government, and that no portion of this responsibility should be imposed on the Accountant-General. It has also been ruled that, as regards inspection of Treasuries, no change should be made which would tend to relieve Commissioners and District Officers of their responsibility for management and inspection."

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"The Accountant-General may, with the approval of the Local Government either personally or by his Deputy, make a general inspection of particular Treasuries or may, with the like approval, should circumstances make it desirable, depute a qualified officer of his establishment to examine and report on special matters requiring local and detailed investigation, either singly or in subordination to an officer of the local Administration. In case special inspection of *several* Treasuries appears desirable, the Accountant-General should report the fact with his reasons, to the Comptroller-General, as soon as he resolves to apply for the permission of the Local Government."

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"The Treasuary is in general charge of the District Officer (Collector) who may entrust the immediate executive charge to a "Treasury Officer" subordinate to him, but he cannot divest himself of administrative charge. The Treasury is divided into two departments, that of accounts under the charge of an accountant, and that of the cash, stamps and opium (if any) under charge of the Treasurer."

Article 301, Civil Account Code.—

"The Accountant-General directs his communications regarding Treasury work either to the District Officer or the Treasury Officer. The Government has repeatedly ruled that the appointment of a subordinate to the immediate charge of a Treasury in no way relieves a District Officer from responsibility. This responsibility extends not only to the security of the cash balance with the stamps and opium, and the immediate detection of any irregular practice on the part of the subordinates, but also to the correctness of the returns and the punctuality of their submission and to the implicit obedience of the Treasury Officer to the instructions issued from the Account Office."

Article 302, Civil Account Code.—

"District Officers should remember that, when an irregularity of any kind is brought to their notice by the Accountant-General, nothing but a report on their own knowledge, after personal investigation, can be considered satisfactory. It is not enough for them to pass on the explanation of a subordinate; reports prepared in this manner have more than once, by lulling suspicion, led to greater irregularity afterwards."

Government of India Order.—

"The duty of an Accountant-General is to keep the accounts of a Province,

He receives the materials from all the Treasuries in the Province, often many in number, and always distant from each other and from his head-quarters. He is not an executive officer; and his duties at his own head-quarters require his constant and unremitting attention."

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"An Accountant-General cannot be spared from his head-quarters to travel over the Province inspecting Treasuries without certain and serious detriment to his own proper and immediate duties. The advantages to be expected from such inspections by an Accountant-General are not to be compared to the disadvantages likely to result from the interruption of his own duties at head-quarters."

"On the other hand, the executive staff of the general administration includes provision for the careful supervision of every branch of the administration. In the Bengal Presidency and in Burmah, the Commissioners of Divisions, in Madras, the Collectors, and in Bombay the Collectors and Revenue Commissioners are, or ought to be well qualified by previous training and acquaintance with the duties of every branch of a Collector's office, to ascertain that the duties of every branch are being properly performed."

3. In accordance with the system obtaining in British India, the Revenue Commissioner in Mysore should, as the chief controlling Revenue authority, be given the control over the Treasuries, and Government are accordingly pleased to direct that the administration of Treasuries devolve on him.

4. The biennial inspections of District Treasuries by the Comptroller required by Government Order No. 8547-55—R. F. 213-92, dated the 11th December 1892, will be discontinued. Article 341, Civil Account Code, provides for the technical examination of Treasuries by Account Officers, and all communications in connection with the necessity for such inspections required to be made to the Local Government under this article should be made to the Revenue Commissioner.

5. The Revenue Commissioner should forward the reports of inspection of District Treasuries to the Comptroller for information and bring any important matters to the notice of Government. The inspection reports of the Taluk Treasuries will be disposed of by the Revenue Commissioner, the present practice of sending them to the Comptroller being discontinued.

6. The Revenue Commissioner should submit to Government an annual report on the working of the Provincial Treasuries. This report will deal with the administration of the Treasuries during the year. The review of the working of Treasuries prepared by the Comptroller under Article 1003, Civil Account Code, which is intended to embody the results of the working of Treasuries only so far as *Accounts* are concerned, should in future be submitted to the Revenue Commissioner, who will take the necessary action on it and incorporate it in his general report to Government.

K. S. CHANDRASEKHARA AIYAR,
Secy. to Govt., Gen. & Rev. Depts.

To—The Revenue Commissioner in Mysore.
The Comptroller to the Government of His Highness the Maharaja of Mysore.
The Deputy Commissioners of Districts.